



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Adopt Resolution Authorizing the City Manager to Allocate \$169,800 in Public Benefit Program Funds for Five Programs and to Execute Contracts with Five Entities to Assist in Managing Programs (EUD)

MEETING DATE: June 17, 2009

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Adopt a resolution authorizing the City Manager to allocate \$169,800 from the Lodi Public Benefits Program fund for five programs, and to execute contracts with five entities to assist in managing these various programs.

BACKGROUND INFORMATION: Under California law, all electric service providers in the state must maintain a Public Benefits Program, incorporating four major elements: 1) assistance for low-income customers, 2) renewable energy resources and technologies, 3) demand-side management/energy efficiency, and 4) energy research.


For Fiscal Year 2009/10, Electric Utility staff recommends the City Council approve the following five Public Benefits programs and projects to meet the state requirements:

- 1) Resource Action Programs of Modesto to assist in implementing the Lodi LivingWise Program (\$20,000).
- 2) The Rarus Institute of Martinez to assist in implementing the Lodi Solar Schoolhouse Project (\$10,000).
- 3) APOGEE Interactive to provide on-line services for the Lodi Energy Audit Program (\$19,800).
- 4) The Lodi Salvation Army to assist in administering Lodi CARE Package Program (\$50,000, including \$7,000 administrative expense).
- 5) San Joaquin County Human Services Agency to administer the Lodi Low-Income Refrigerator Trade-In Program (\$70,000).

Lodi LivingWise Program (\$20,000): Some 2,900 Lodi students and their families have participated in this program since 2003. The program provides students and educators at Lodi area schools with a useful tool that demonstrates energy and water conservation. Students receive energy efficiency kits and Resource Action Programs produces a school-by-school report of efficiency savings.

For the 2009-2010 school year, Lodi Electric Utility staff is once again proposing to provide 417 energy and water conservation kits to sixth-grade students throughout Lodi. Each kit contains a compact fluorescent lamp, an Electro luminescent (energy efficient) Night Light, a low-flow showerhead, faucet aerators, a water leak test for toilets, tips on energy/water conservation, specific ways to weatherize/insulate the home, and more. Once the kits are delivered to the classroom, and the teacher

APPROVED:


Blair King, City Manager

has received their training packet, students are instructed on how/why to implement the contents of the kit at their home. After the students have installed the contents of their kit at home, an assessment is produced by Resource Action Programs staff to determine projected energy and water savings associated with the installation of the various energy/water conservation measures.

Lodi Solar Schoolhouse Project (\$10,000): Since 2002, more than 1,500 Lodi students have been involved in one aspect or another of this project. The Lodi Solar Schoolhouse Project is aimed at educating students in grades 3 through 12 regarding the importance of renewable energy resources, like the sun and wind, and the critical role these energy resources will most likely have on their future.

The Lodi Solar Schoolhouse Project will have several key elements, including: 2nd Annual Solar Schoolhouse Discovery Day, the Solar Schoolhouse Summer Institute (provides funding for two Lodi educators to attend a week-long renewable energy resource training camp), presentations on clean energy at the Lodi Energy Smart Workshop events, and delivery of the DVD/book entitled 'Teaching Solar' to area educators. In addition, The Rahus Institute staff will provide in-classroom presentations where requested, as well as ongoing consulting services to Lodi Electric Utility staff regarding solar and wind energy issues.

Lodi On-Line Energy Audit Program (\$19,800): Lodi Electric Utility offers both onsite and online energy audits for residential customers (onsite audits are also provided for small and medium-sized commercial customers). The online service, known as the HomeEnergySuite, is provided by the firm APOGEE Interactive. The online tool – available at www.lodielectric.com – provides customers access to lighting and appliance calculators to help them understand where their energy dollars are going, an educational 'Kids Korner' and an energy conservation reference library. About 50 to 75 customers per month utilize this free service. New for FY 2009/10 is a small business online energy audit program.

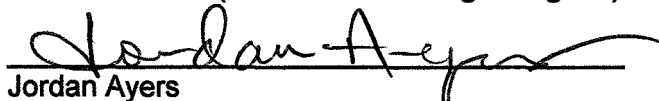
Lodi CARE Package Program (\$50,000): Since late 2004, the City of Lodi has provided 939 grants to help Lodi families pay their monthly utility bills. Only those customers who earn 20 percent less than the maximum Lodi SHARE (low-income discount program) guidelines are eligible. The Lodi CARE Package Program will provide a relief payment of up to \$125 every six months for eligible customers.

Overall, Lodi Electric Utility will provide \$43,000 in relief payments for the electricity portion of qualifying customers' bills in FY 2009/10. This program is managed by the Lodi Salvation Army, which charges \$20 per customer assessment, with an annual maximum of \$7,000. Exhibits A and B provide guidelines and benefits. In addition, Waste Management is providing \$5,000 in relief payments to eligible customers for the solid waste portion of their bills. Maximum payment is \$25 per customer every six months.

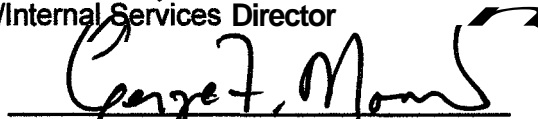
Lodi Low-Income Refrigerator Trade-In Program (\$70,000): This is a new program for FY 2009/10. The Public Benefit Program funds are earmarked for the purchase and installation of high-efficiency (EnergyStar) refrigerators for low-income residential families in Lodi. Trained staff from the San Joaquin County Human Services Agency will provide various in-home energy conservation weatherization services, and determine if the family qualifies for a new, energy-efficient refrigerator. Approximately 85 energy-efficient refrigerators will be available for those families identified through this program during FY 2009/10. The weatherization services provided by the San Joaquin County HSA include the installation of attic insulation, door sweeps, weather-stripping, and other materials as needed to ensure the conservation of energy year-round. These services are provided at no cost to the customer.

Four of these entities have provided excellent service to the City of Lodi, while the fifth (San Joaquin County Human Services Agency) has performed low-income weatherization services for numerous years. As a result, the Electric Utility Department requests the Lodi City Council authorize the City Manager to execute professional service contracts with these entities for FY 2009/10.

FUNDING: 164605 – Public Benefits (Demand-side Management) - \$39,800
164606 – Public Benefits (Low-Income Customer Assistance) - \$70,000
164608 – Public Benefits (Renewable Energy Resources) - \$10,000
164609 – Public Benefits (Lodi CARE Package Program) - \$50,000


Jordan Ayers

Deputy City Manager/Internal Services Director


George F. Morrow
Electric Utility Director

Prepared By: Rob Lechner, Manager, Customer Service and Programs

RESOLUTION NO. 2009-90

A RESOLUTION OF THE LODI CITY COUNCIL
APPROVING PUBLIC BENEFIT PROGRAMS AND
FURTHER AUTHORIZING THE CITY MANAGER TO
EXECUTE NECESSARY PROFESSIONAL SERVICES
AGREEMENTS

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NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the following Public Benefit Programs as shown on the project descriptions marked Exhibit A attached hereto:

- 1) Lodi LivingWise Program - \$20,000
- 2) Lodi Solar Schoolhouse Project - \$10,000
- 3) Lodi On-Line Energy Audit Program - \$19,800
- 4) Lodi CARE Package Program - \$50,000
- 5) Lodi Low-Income Refrigerator Trade-In Program - \$70,000

BE IT FURTHER RESOLVED that the City Manager is hereby authorized and directed to execute professional services agreements required for each Public Benefit Program as outlined in Exhibit A attached.

Dated: June 17, 2009

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I hereby certify that Resolution No. 2009-90 was passed and adopted by the City Council of the City of Lodi in a regular meeting held June 17, 2009, by the following Vote:

AYES: COUNCIL MEMBERS – Johnson, Mounce, and Mayor Hansen

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – Hitchcock and Katzakian

ABSTAIN: COUNCIL MEMBERS – None


RANDI JOHL
City Clerk

EXHIBIT A

1. Lodi LivingWise Program: Some 2,900 Lodi students and their families have participated in this program since 2003. The program provides students and educators at Lodi area schools with a useful tool that demonstrates energy and water Conservation. The budget for the 2009-2010 school year (Lodi fiscal year) is \$20,000. The funds allocated are paid to Resource Action Programs of Modesto, California. This firm provides the energy efficiency kits (please see next paragraph) to the classrooms, schedules delivery of said kits to meet the individual teacher timeframes and produces a school-by-school report of efficiency savings once the program year is complete.

For the 2009-2010 school year, Lodi Electric Utility staff is once again proposing to provide 417 energy and water conservation kits to 6th grade students throughout Lodi. Each kit contains a compact fluorescent lamp, an Electro luminescent (energy efficient) Night Light, a low-flow showerhead, faucet aerators, a water leak test for toilets, tips on energy/water conservation, specific ways to weatherize/insulate the home, and more. Once the kits are delivered to the classroom, and the teacher has received their training packet, students are instructed on how/why to implement the contents of the kit at their home. There are pre-installation and post-installation course discussions that are provided to the instructors to ensure that the students are fully engaged in the project. After the students have installed the contents of their kit at home, an assessment is produced by Resource Action Programs staff to determine projected energy and water savings associated with the installation of the various energy/water conservation measures. To “kick-off” the project, an Electric Utility staff member will attempt to visit each classroom to reinforce the significance of the project and discuss the importance of energy/water conservation.

While the project educates students on the importance of energy/water conservation, it also complements the energy education curriculum mandated by the State of California for all 4th through 6th grade students. Teacher feedback continues to indicate that our program is an excellent “fit” for portions of their math, science **and** or energy education curriculum. The *Lodi LivingWise Program* was implemented in fifteen (15) sixth-grade classrooms throughout the community during the 2008-2009 school year. The budget and contract with Resource Action Programs is \$20,000.

2. Lodi Solar Schoolhouse Project: Since 2002, over 1,500 Lodi students have been involved in one aspect or another of this project. The *Lodi Solar Schoolhouse Project* is aimed at educating students in grades 3rd through 12th regarding the importance of renewable energy resources, like the sun and wind, and the critical role these energy resources will most likely have on their future.

To assist in implementing this program, Electric Utility staff will again utilize the professional services of The Rarus Institute, a not-for-profit organization based in Martinez, California. For the 2009-2010 school year (and Lodi fiscal year), the *Lodi Solar Schoolhouse Project* will have several key elements, including: 2nd Annual Solar Schoolhouse Discovery Day, the Solar Schoolhouse Summer Institute (provides funding

for two Lodi educators to attend a week-long renewable energy resource training camp), presentations on clean energy at the Lodi Energy Smart Workshop events, and delivery of the DVD/book entitled 'Teaching Solar' to area educators. In addition, The Rahus Institute staff will provide in-classroom presentations where requested, as well as ongoing consulting services to Lodi Electric Utility staff regarding solar and wind energy issues. The budget and contract with The Rahus Institute for this program is \$10,000.

As is the case with the *Lodi LivingWise Program*, the *Lodi Solar Schoolhouse Project* complements the energy education curriculum mandated by the State of California, allowing numerous Lodi educators to fulfill this educational requirement.

3. Lodi On-Line Energy Audit Program: Lodi Electric Utility offers both on-site and on-line energy audits for residential customers (on-site audits are also provided for small and medium-sized commercial customers). The on-line service, known as the HomeEnergySuite, is provided by the firm APOGEE Interactive. The on-line tool provides customers with the ability to determine how their monthly energy dollars are expended. The tool also provides access to lighting and appliance calculators, an educational 'Kids Korner' and an energy conservation reference library. On average, fifty to seventy-five customers per month utilize this free service. The contract with APOGEE Interactive for the 2009-2010 fiscal year is in the amount of \$19,800. In addition to maintaining the database/on-line tool, APOGEE Interactive also provides monthly updates on customer "hits" (how many customers are utilizing the service) and continually updates the energy conservation reference library with new and emerging energy technologies. New for the 2009-2010 fiscal year is the addition of a small business on-line energy audit program, which will allow customers to identify energy use patterns via the computer, similar to the aforementioned residential on-line audit program.

4. Lodi CARE Package Program: Since late 2004, the City of Lodi has provided a special grant program designed to assist Lodi families in paying their monthly utility bill. To qualify for a grant, a customer must earn *less* than the published federal income guidelines. Specifically, the Lodi CARE Package Program will provide a relief payment of up to \$125.00 for eligible families/customers. Other program specifics include:

- a customer in need will be interviewed by staff of the Lodi Salvation Army at the Lockeford Street facility; the family/customer must meet eligibility requirements, as listed on 'Attachment A/B;'
- if approved for a relief payment, the Salvation Army will notify the City of Lodi Finance Department of eligible customer name, and the exact amount of the relief payment;
- the Salvation Army will also notify the City of Lodi Electric Utility Department of approved customers; these customers will automatically be enrolled in the Lodi Energy Audit Program and receive a free in-home energy audit;
- customers are eligible to receive a maximum grant amount of \$125.00 every six months;

- a set of income guidelines ~~has~~ been developed for this program, and will be utilized as part of the assessment process conducted by the Salvation Army (please see 'Attachment B');
- in order to receive the maximum relief payment of \$125.00, a customer must have no past due amounts owed to the City of Lodi, and must be able to pay the remaining portion of their current City of Lodi utility statement (the water and wastewater charges).

The following two entities are providing the funds available for the relief payments:

- City of Lodi Electric Utility - \$50,000 total; of this amount, \$43,000 is earmarked for relief payments to the customers in need. The \$43,000 is ONLY for payment of the electric utility component of customer bills. \$7,000 ~~is~~ *earmarked as the payment due to the Salvation Army* ~~for~~ *their assessment services*.
- WM® Waste Management - \$5,000 total; these funds will be designated solely for the purpose of paying the refuse component of a customer's bill (maximum payment is \$25.00 per customer; one such payment every six months).

Since the program's inception, 939 Lodi customers have participated in the program and received a grant payment. The intent of the Lodi CARE Package Program is to assist those customers – currently living on wages 20 percent below the published federal income guidelines – in paying their monthly City of Lodi utility bill, particularly when the customer is facing a difficult period. The program is a “safety net” of sorts for customers experiencing a particularly difficult or unexpected financial hardship.

In order to adequately qualify customers for a relief payment, Lodi Electric Utility will again utilize the Lodi Salvation Army (S.A.) to serve as the day-to-day administrator of the program. The S.A. will charge the City of Lodi a fee of \$20.00 per customer assessment (not to exceed \$7,000.00 during the 2009-2010 fiscal year). The S.A. has provided the same assessment services for this program since late 2004.

*This relief payment was derived by assessing the average bill of a utility customer currently receiving a rate discount as part of the Lodi SHARE Program (the SHARE rate discount provides eligible customers with a monthly 30% rate discount on their City of Lodi electric bill). Two months were used as part of the assessment (July and November 2008). Of these two months, the average July utility bill for electric only was \$90.00, while the average November utility bill for electric only was \$55.00. Based upon this assessment, it was determined that the electric utility component of the relief payment be capped at \$100.00. Also during this aforementioned assessment process, it was determined that the average refuse component of a City of Lodi utility statement is \$22.00 (hence, a cap of \$25.00 is recommended as the refuse component of the relief payment). The two relief components, electric and refuse, then equal a maximum grant of \$125 per eligible customer.

**The S.A. was selected to serve as the screening agent for this program for two reasons: 1) their experience and expertise in providing services of a similar nature for other entities (PG & E, San Joaquin County); and 2) the S.A. has served successfully as the administrator of the “Lodi C.A.R.E. Package Program” since 2005 – this is a utility grant payment program funded through Lodi's Public Benefits Program.

5. **Lodi Low-Income Refrigerator Trade-In Program:** This is a new program for the 2009-2010 fiscal year, with a budget and contract for services of \$70,000 with the San Joaquin County Human Services Agency (HAS). Specifically, the Public Benefit Program funds earmarked are for the purchase and installation of high efficiency (EnergyStar®) refrigerators for low-income residential families in Lodi. While trained staff from the San Joaquin County HAS provide various in-home energy conservation weatherization services, they will also determine if the family is in need (qualifies) for a new, energy efficient refrigerator. Approximately 85 energy efficient refrigerators will be available for those families identified through this program during the 2009-2010 fiscal year. Note: the weatherization services provided by the San Joaquin County HSA include the installation of attic insulation, door sweeps, weather-stripping, and other materials as needed to ensure the conservation of energy year-round. These services are provided at no cost to the customer.

Lodi C.A.R.E. Package

EXHIBIT "A"

Eligibility Requirements:

- must meet income guidelines as established in Exhibit "B;"
- customer **has not** received assistance through **the** Lodi **CARE** Package Program in the past **six (6)** months;
- customer **must** present (in person) appropriate documentation **of the following** in order to **qualify** for a relief payment-
 - current City **of** Lodi utility statement;
 - ID/Social Security **Cards** for ALL members of the household, **and** driver's license or California ID **card** of the person listed on the utility account;
 - proof of current income (i.e.: **pay stub**, grant letter, etc.)- **handwritten** notes are **not acceptable**;
 - copy of rental agreement (**if** applicable);
 - **proof** of unexpected **expenses** (within the last sixty **days**), resulting in **the inability** to or hardship in paying **City of Lodi** utility account;
 - **City** of Lodi receipt for customer's co-payment, **if** applicable/necessary;
- customer must consent to a free, in-home energy **audit**, once their relief payment **has** been approved;
- the available grant is **for** up to \$125, **which only** pays for **the** electric utility **component** and the refuse component of the **customer's City of Lodi utility** bill; customer is required to demonstrate ability to pay for **all** other **fixed** charges (water, **wastewater, sewer**) on **their** City of Lodi **utility** bill **PRIOR** to grant payment being **authorized by** the Salvation **Army**;
- contact **the** Lodi Salvation Army **to** determine eligibility; **the number is 369-5896.**

Lodi CARE Package

EXHIBIT "B"

Benefit Levels:

- \$125.00 **per** eligible customer service address/account; of this amount, up to \$100 is for ~~the~~ electric utility component, and **up to** \$25 is for the refuse component of the utility statement;
- one relief payment in a **six-month** period; no more than two (2) relief payments **in** 12 months.

Lodi CARE Package Income Levels:

> 1-2	persons in household	\$17,600 (maximum)
> 3	persons in household	\$20,720 (“ ”)
> 4	persons in household	\$24,880 (“ ”)
>	Each additional member	\$ 6,240

(**NOTE** ~~the~~ income guidelines **listed** above are **20% less than** the income guidelines utilized for the Lodi **SHARE Discount Program**.)

Lodi Public Benefits Program

Lodi City Council
June 17, 2009



Lodi Public Benefits Program

- What is the Public Benefits Program?
- 2008-2009 FY Program Review
- 2009-2010 FY Program *Overview*
- Reporting Requirements/Special Projects
- Public Benefits Program Budget: 09-10 FY
- Federal Stimulus Funds
- Questions?



Lodi Public Benefits Program

What is the Public Benefits Program?

- Established by state law in 1998
- Requires utilities to fund and maintain a program with some or all of these four components:
 - demand-side management (conservation)
 - assistance for low-income customers
 - renewable energy resources
 - energy research & demonstration projects



Lodi Public Benefits Program

What is the Public Benefits Program? (cont.)

- State law requires a 2.85% expenditure (of utility revenue) for said program
- Utilities have the discretion of how to expend collected Public Benefits revenue



Lodi Public Benefits Program

2008-2009 FY Program Review

- Budget: \$725,000
- Expended: \$530,000 (through 6/12/09)
- Total customers impacted: 2,830 (for all programs)
- Marketing of programs: Lodi Utility News newsletter, Lodi Energy Smart Workshops, press releases, newspaper advertisements, LEU web site, bill inserts



Lodi Public Benefits Program

2008-2009 FY Program Review (cont.)

➤ Programs offered:

- Lodi Appliance Rebate
- Lodi Energy Efficient Home Improvement Rebate
- Lodi Commercial/Industrial Customer Rebate
- Lodi Energy Audit Program
- Lodi CARE Package Program
- Lodi SHARE Verification Project
- Lodi Energy Education programs (several)



Lodi Public Benefits Program

2009-2010 FY Program Overview

- Residential Programs:
 - Lodi Energy Efficient Home Improvement Rebate
 - Lodi Appliance Rebate
 - Lodi CARE Package
 - *Lodi Low-Income Refrigerator Trade-In Program*
 - Lodi Energy Audit Program



Lodi Public Benefits Program

2009-2010 FY Program Overview (cont.)

- > Commercial/Industrial Programs:
 - Lodi G-1 Customer Rebate
 - Lodi G-2 Customer Rebate
 - Lodi G-3 to I-1 Customer Rebate
 - *Lodi Keep Your Cool Rebate*
 - Lodi Energy Audit Program



Lodi Public Benefits Program

2009-2010 FY Program Overview (cont.)

- Energy Education & Outreach:
 - Lodi Solar Schoolhouse Project
 - Lodi LivingWise Project
 - Youth Energy Summit
 - Lodi Energy Smart Workshop
 - Lodi Green Energy Program
 - Lodi Hazard Hamlet Safety Presentation
 - Lodi Hydro Power Model Demonstration



Lodi Public Benefits Program

2009-2010 FY Program Overview (cont.)

- This evening, we have five program contracts for City Council consideration:
 - Lodi LivingWise Program (\$20,000)
 - Lodi Solar Schoolhouse Project (\$10,000)
 - Lodi On-Line Energy Audit Prog. (\$19,800)
 - Lodi CARE Package Program (\$50,000)
 - Lodi Low-Income Refrigerator Prog. (\$70,000)



Lodi Public Benefits Program

Reporting Requirements/Special Projects

- SB 1037 Report – annual energy savings ***goals/targets***
- AB 2021 Report – annual energy savings ***achieved***
- Lodi Evaluation, Measurement & Verification Project



Lodi Public Benefits Program

Public Benefits Program Budget: 09-10 FY

- Demand-side management: \$505k
- Assist. to low-income customers: \$120k
- Renewable energy resources: \$10k
- Administration/marketing/outreach: \$217k



Lodi Public Benefits Program

Federal Stimulus Funds

- Lodi could receive \$586k from the Energy Efficiency & Conservation Block Grant Fund (U.S. Dept. of Energy)
- Lodi City Council approved the ten (10) projects to be funded via these grant dollars on June 3, 2009



Lodi Public Benefits Program

Federal Stimulus Funds (cont.)

- Projects included were submitted by three City of Lodi departments:

Keep Your Cool Program	\$25k
Lodging Energy Efficiency	\$48k
Low-Income Refrigerator	\$50k
Cool The Earth Program	\$25k
Energy Efficient Homes	\$50k
ISD Computer Server	\$200k
Kofu Park Comm. Facility	\$20k
Grape Bowl Light. Retrofit	\$100k
Solar Trash Compaction	\$53k
HSS Energy Management System	\$15k



Lodi Public Benefits Program

- Citizens interested in receiving additional information regarding the City's various energy efficiency rebate programs, please call 333-6815 or visit the LEU web site:

www.lodielectric.com

- Questions?

